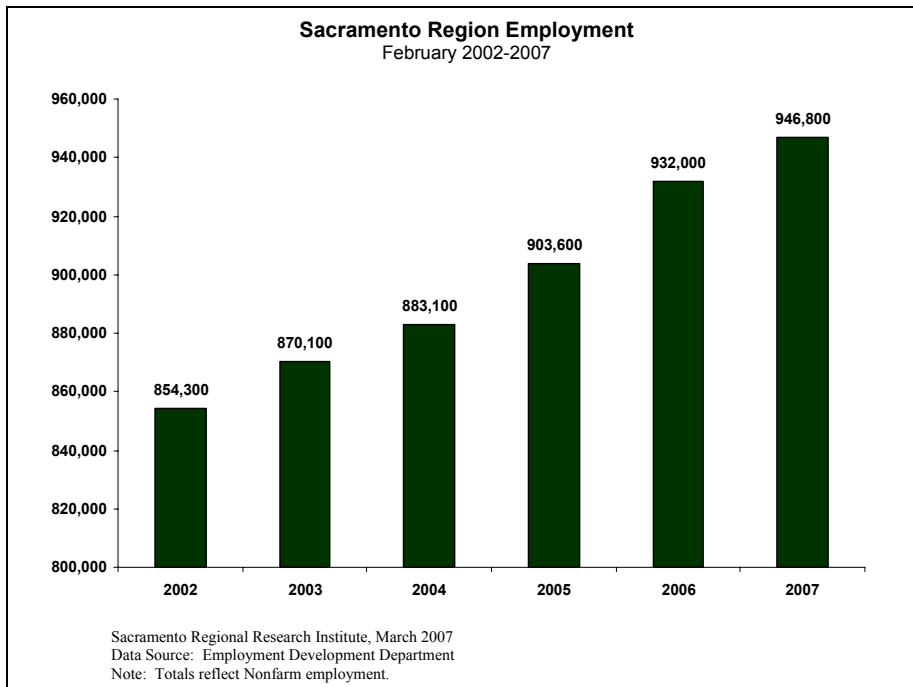
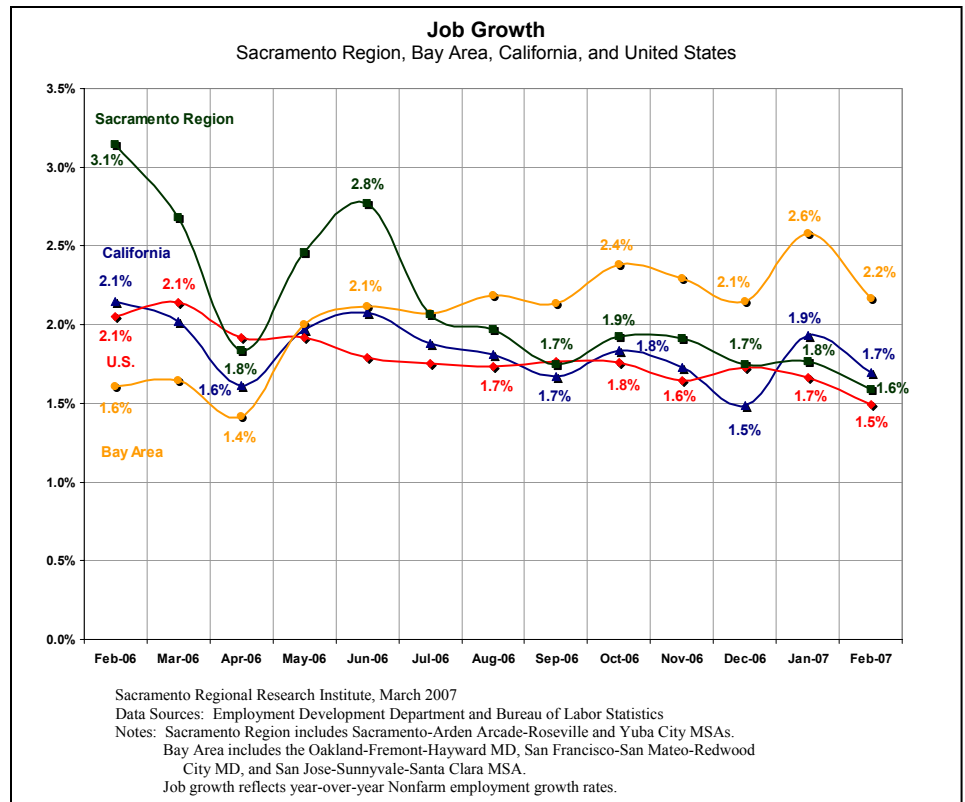


EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

The Sacramento Region continued to post modest job growth in February 2007 with an employment growth rate between the statewide and national averages.

The six-county Sacramento Region posted 1.6 percent job growth in February 2007 with a year-over-year gain of 14,800 jobs. The Region's job growth has fallen below the statewide average for the past two months due to a recent pattern of slight decreases in job growth since October 2006 and an uptick in the state's employment growth rates. This recent pattern is a result of slower growth in nearly every major sector in the Region's economy with Trade, Transportation, & Utilities; Leisure & Hospitality; and Other Services seeing the most significant slowdowns. The Bay Area's growth rates have consistently exceeded the Sacramento Region since August 2006. Despite a few periods of considerable declines, with the exception of a couple months, the Region has seen job growth above the national average for the past 12 months. For most of late 2006 and into early 2007, the Region has experienced modest job growth.



Like the Sacramento Region, the state posted declining job growth from June 2006 through September 2006 then experienced a brief increase followed by another period of generally decreasing rates. At the beginning of 2007, the state showed a notable improvement, but experienced slower growth in February 2007. Between February 2006 and 2007, the state saw 1.7 percent growth reflecting an increase of 252,100 jobs.

Since early 2006, the nation has experienced a consistent pattern of slightly declining job growth. In February 2007, the nation posted its lowest year-over-year employment growth rate since late 2004 (1.5 percent with a gain of close to 2 million jobs). Over the past year, the nation saw stronger job growth than the state only during three brief periods and has fallen behind again in early 2007.

The Bay Area has experienced a generally increasing job growth trend since April 2006.

For the past 6 months, the Bay Area's employment growth rate pattern has been similar to the state, but with much stronger rates. After a peak in January 2007 of 2.6 percent (a level that the Bay Area hasn't seen since 2001), the Bay Area's job growth dropped back to 2.2 percent (with a gain of 61,900 jobs). The Bay Area's job growth has surpassed both the statewide and national averages since May 2006.

The Sacramento Region's Government sector continued to contribute the most jobs among all major sectors while job losses persisted in the Manufacturing and Construction sectors.

The Sacramento Region's Government; Educational & Health Services; and Leisure & Hospitality sectors added the most jobs between February 2006 and 2007. These three sectors contributed 11,300 jobs to the Region's net job gain (about 76 percent). Manufacturing and Construction were the only sectors to experience year-over-year losses (both of these sectors made relatively healthy contributions to the Region's economy through much of 2005 and 2006). Financial Activities posted positive growth overall, but the Real Estate component continued to see job losses, demonstrating the ongoing drag of housing-related activities on the Region's economy.

Professional & Business Services; Trade, Transportation, & Utilities; and Educational & Health Services posted the largest job gains in the state over the past 12 months. Together, these three sectors added 159,200 jobs (over 63 percent of the net gain). Manufacturing and Construction also lost jobs at the statewide level, but, unlike the Sacramento Region, Information shed jobs as well.

Professional & Business Services; Educational & Health Services; and Leisure & Hospitality saw the greatest employment gains in the Bay Area with a combined increase of 39,100 jobs (approximately 63 percent of the net gain). Unlike the state and the Sacramento Region, every sector in the Bay Area added jobs between February 2006 and 2007 (this marks the third straight month of year-over-year gains in all sectors).

Employment Gains and Losses		
Components of Sacramento Region and Bay Area		
Area	February 2006-2007	
	Absolute	Rate
Sacramento Region	14,800	1.6%
Sacramento-Arden Arcade-Roseville MSA	13,700	1.5%
Yuba City MSA	1,100	2.7%
Bay Area	61,900	2.2%
San Francisco-San Mateo-Redwood City Div.	25,100	2.7%
San Jose-Sunnyvale-Santa Clara MSA	21,400	2.4%
Oakland-Fremont-Hayward Div.	15,400	1.5%

Sacramento Regional Research Institute, March 2007
Data Source: Employment Development Department
Note: Gains and losses reflect Nonfarm employment.

of the Bay Area including the Silicon Valley. This MSA added 21,400 of the Bay Area's net 61,900 job gain between February 2006 and 2007 (close to 35 percent) and posted job growth above the region's average (2.4 percent)—this growth was supported by the Professional & Business Services and Educational & Health Services sectors. The San Francisco-San Mateo-Redwood City Metropolitan Division (Marin, San Mateo, and San Francisco Counties) showed only slightly more robust growth (25,100 jobs with a 2.7 percent growth rate) led by the same sectors. The East Bay (Oakland-Fremont-Hayward Metropolitan Division consisting of Alameda and Contra Costa Counties) added almost 25 percent of the Bay Area's net job gain over the past year (15,400 jobs), supported by the same sectors as the other components of the Bay Area. This Metropolitan Division saw job growth below the regional average (1.5 percent) and similar to the Sacramento Region.

Major Sector Employment Gains and Losses			
Sacramento Region, California, and Bay Area			
Sector	February 2006-2007		
	Sacramento Region	California	Bay Area
Total Nonfarm	14,800	252,100	61,900
Private Sector	9,500	209,800	56,300
Public Sector	5,300	42,300	5,600
Government	5,300	42,300	5,600
Edu. & Health Svcs.	3,800	45,900	11,600
Leisure & Hospitality	2,200	41,900	8,800
Trade, Trans., & Util.	2,100	49,000	5,700
Prof. & Business Svcs.	2,000	64,300	18,700
Other Services	600	9,500	2,100
Financial Activities	500	4,700	2,400
Information	400	-1,600	100
Nat. Res. & Mining	100	1,500	200
Manufacturing	-700	-3,800	3,200
Construction	-1,500	-1,600	3,500

Sacramento Regional Research Institute, March 2007
Data Source: Employment Development Department

The Sacramento-Arden Arcade-Roseville Metropolitan Statistical Area (MSA—El Dorado, Placer, Sacramento, and Yolo Counties) added 13,700 of the total 14,800 jobs in the Sacramento Region over the past 12 months (nearly 93 percent) with a growth rate slightly below the regional average (1.5 percent). This MSA's growth was led by the Government and Trade, Transportation, & Utilities sectors. The Yuba City MSA (Sutter and Yuba Counties) posted a relatively strong growth rate (2.7 percent) and added 1,100 jobs between February 2006 and 2007 (about 7 percent of the Region's net gain) driven by the Government and Leisure & Hospitality sectors.

The San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) has regained its role as a strong contributor to the Bay Area's economy, demonstrating the spread of the economic recovery to all parts

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